managements of the banks themselves with Government playing a supportive role as the common stakeholder. While supporting any merger proposal of the public sector banks, Government keeps in view the interests of the stakeholders and employees of the merging banks by incorporating appropriate provisions in the terms and conditions for such merger.

Misutilisation of FCCBs

2052. SHRI JAI PRAKASH NARAYAN SINGH: Will the Minister of FINANCE be pleased to state:

(a) the names of Indian companies to whom Foreign Currency Convertible Bonds (FCCBs) were issued in the past three years;

(b) whether the authorities have monitored the use of proceeds in all such cases;

(c) the number of cases in which the Reserve Bank of India (RBI) and Enforcement Directorate (ED) found irregularities;

(d) if so, the details of the companies on which notices have been issued by the RBI and ED;

(e) the current status of the investigations carried out by RBI and ED; and

(f) the steps being taken to ensure that FCCBs are not misutilised by the companies?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) The details of the companies which have issued Foreign Currency Convertible Bonds (FCCBs) in the past three financial years and up to October, 2009 are furnished in the Statement-I (*See* below).

(b) The policy for External Commercial Borrowings (ECB) is also applicable to FCCBs in all respects. As per the extant policy, the drawal and utilization of the ECB are monitored through monthly submission of form ECB-2 by the borrowers duly certified by the designated Authorized Dealer (AD) banks.

(c) RBI has reported that there are 17 cases of FCCBs since April, 2005, where irregularities were observed and actions under the compounding procedure of Foreign Exchange Management Act, 1999 (FEMA) have been taken/initiated against the companies for the irregularities by the RBI. The information pertaining to Enforcement Directorate (ED) is being collected and will be laid on the Table of the House.

(d) Compounding is a voluntary process under Section 15 of FEMA 1999. Reserve Bank does not issue any notices to borrowers who have violated the provisions of FEMA 1999 in regard to ECBs. Reserve Bank merely brings to the notice of the borrowers through the designated Authorised Dealer banks, the irregularities observed in the ECBs. The details of those 17 cases are given in Statement-II (*See* below). The information pertaining to Enforcement Directorate (ED) is being collected and will be laid on the Table of the House.

(e) Reserve Bank does not carry out any investigation into the irregularities pertaining to ECBs. Where the borrower does not honour the obligations under the compounding procedure, such borrowings are referred to Enforcement Directorate for adjudication as per provisions of FEMA 1999. The information pertaining to Enforcement Directorate is being collected and will be laid on the Table of the House.

(f) The policy on External Commercial Borrowing is transparent and administered in an environment that encourages and facilitates adherence to the guidelines. The number of contraventions compounded by the Reserve Bank has been few. The information pertaining to Enforcement Directorate is being collected and will be laid on the Table of the House.

Statement-I

FCCBs details from 2006-07 *to* 2009-10 *(Upto October* 2009*)*

Year	Borrower's Name	Amount_USD
1	2	3
2006-07	Bharati Shipyard Ltd.	100,000,000
	Dolphin Offshore Enterprises (I) Ltd.	15,000,000
	McNally Bharat Engineering Co. Ltd.	7,000,000
	Mahindra and Mahindra Ltd.	200,000,000
	S.Kumars Nationwide Ltd.	50,000,000
	Rasandik Engineering Industries India Ltd.	10,000,000
	Sical Logistics Ltd.	75,000,000
	Shringar Cinemas Ltd.	20,000,000
	Gujarat NRE Coke Limited	60,000,000
	JCT Ltd.	30,000,000
	Venus Remedies Limited	12,000,000
	Nectar Life Sciences Ltd.	35,000,000
	Jindal Saw Ltd.	81,365,242
	Aurobindo Pharma Ltd.	50,000,000
	Aurobindo Pharma Ltd.	150,000,000
	Jubilant Organosys Ltd.	200,000,000
	Karur K.C.P. Packagings Ltd.	10,000,000
	The India Cements Ltd.	75,000,000
	Electrosteel Castings Ltd.	75,000,000

1	2	3
	Reliance Natural Resources Ltd.	300,000,000
	Kanoria Chemicals and Industries	20,000,000
	Hindustan Construction Company Ltd.	100,000,000
	Ankur Drugs and Pharma Ltd.	16,000,000
	Sakthi Sugars Ltd.	40,000,000
	Sakthi Sugars Ltd.	20,000,000
	Sayaji Hotels Ltd.	7,500,000
	Amtek Auto Ltd.	250,000,000
	Jain Irrigation Systems Ltd.	60,000,000
	Bharat Forge Limited.	40,000,000
	Bharat Forge Limited.	39,900,000
	3i Infotech Ltd.	50,000,000
	Videocon Industries Ltd.	105,000,000
	Helios and Matheson Information Technology	25,000,000
	Zenith Computers Ltd.	20,000,000
	Genus Power Infrastructure Ltd.	7,500,000
	Radico Khaitan Ltd.	50,000,000
	Shah Alloys Limited	10,000,000
	Nava Bharat Ventures Ltd.	51,255,928
	Zenith Infotech Ltd.	33,000,000
	Bhagya Nagar India Ltd.	15,000,000
	Educomp Solutions Ltd.	25,000,000
	Gati Ltd.	20,000,000
	ISMT Ltd.	20,000,000
	Assam Company Ltd.	48,000,000
	KEI Industries Ltd.	36,000,000
	Paramount Communications Ltd.	27,000,000
	Core Projects and Technologies Ltd.	12,250,000
	Financial Technologies (India) Ltd.	100,000,000

1	2	3
	Faze Three Limited	8,000,000
	Shrenuj and Company Ltd.	15,000,000
	ERA Infra Engineering Limited	75,000,000
	Ruchi Infrastructure Ltd.	40,000,000
	Adani Enterprises Limited	250,000,000
	Rajesh Exports Ltd.	150,000,000
	Grabal Alok Impex Ltd.	25,000,000
	Kalindee Rail Nirman (Engineer) Ltd.	7,000,000
	Suryajyoti Spinning Mills Ltd.	10,000,000
	Indian Railway Finance Corporation Ltd.	124,388,280
	Reliance Communications Ltd.	500,000,000
	Reliance Communications Ltd.	500,000,000
	Aksh Optifibre Ltd.	8,750,000
	Orchid Chemicals and Pharmaceuticals Ltd.	200,000,000
	Uflex Industries Ltd.	85,000,000
	Prithvi Information Solutions Ltd.	50,000,000
	Kamat Hotels (India) Ltd.	18,000,000
	KLG Systel Ltd.	22,000,000
	ICSA (India) Ltd.	22,000,000
	Pokarna Ltd.	12,000,000
	Indian Railway Finance Corporation Ltd.	125,000,000
	3i Infotech Ltd.	39,704,924
	TOTAL	5,090,614,375
2007-08	Subex Azure Limited	180,000,000
	Aarvee Denims and Exports Ltd.	20,000,000
	ANG Auto Limited	12,000,000
	Sterling Biotech Ltd.	250,000,000
	Wanbury Ltd.	20,271,293
	Pioneer Embroideries Ltd.	30,000,000

1	2	3
	Vivimed Labs Ltd.	15,000,000
	GTL Infrastructure Ltd.	300,000,000
	South Asian Petrochem Ltd.	20,000,000
	Plethico Pharmaceuticals Ltd.	75,000,000
	Mascon Global Ltd.	50,000,000
	Karuturi Networks Ltd.	50,000,000
	Gremach Infrastructure Equip and Proj Ltd.	50,000,000
	Vardhman Polytex Limited	12,000,000
	Kinetic Engineering Ltd.	18,000,000
	Indowind Energy Ltd.	35,000,000
	TOTAL	5,680,316,243
2008-09	Shree Ashtavinayak Cinevision Ltd.	34,250,000
	Sharon Bio-Medicine Ltd.	16,500,000
	Geodesic Information Systems Ltd.	125,000,000
	Brushman (India) Ltd.	15,000,000
	Sintex Industries Ltd.	300,000,000
	Tyche Peripheral Systems Ltd.	12,000,000
	Aban Offshore Ltd.	200,000,000
	Temptation Foods Ltd.	200,000,000
	TOTAL	902,750,000
2009-10	Suzlon Energy Ltd.	35,592,000
	Himadri Chemicals and Industries Ltd.	12,500,000
	Suzlon Energy Ltd.	20,796,000
	Suzlon Energy Ltd.	90,000,000
	Apollo Hospitals Entrp. Ltd.	15,000,000
	Amtek Auto Ltd.	175,000,000
	Welspun Gujarat Stahl Rohren Ltd.	150,000,000
	Patel Engineering Ltd.	100,000,000

1	2	3
	Tata Motors Ltd.	375,000,000
	Prakash Industries Ltd.	50,000,000
	Larsen and Toubro Limited	200,000,000
	Sesa Goa Limited	500,000,000
	Sterlite Industries (I) Ltd.	500,000,000
	Total	2,223,888,000
	Core Project and Technologies Ltd.	80,000,000
	ICSA (India) Ltd.	24,000,000
	Sri Adhikari Brothers Tele Networks Ltd.	10,000,000
	Karuturi Networks Ltd.	25,000,000
	Electrotherm (India) Ltd.	10,000,000
	Suzlon Energy Ltd.	300,000,000
	Shakti Pumps (India) Ltd.	6,500,000
	Man Industries (India) Ltd.	50,000,000
	JSW Steel Ltd.	325,000,000
	KSL Reality and Infrastructure Ltd.	80,000,000
	Strides Arcolab Limited	100,000,000
	Rolta India Ltd.	150,000,000
	Moser Bear India Ltd.	150,000,000
	Educomp Solutions Ltd.	80,000,000
	Tata Motors Ltd.	490,000,000
	Micro Technologies (India) Ltd.	15,000,000
	Surana Industries Limited	14,000,000
	Tantia Constructions Ltd.	7,500,000
	Hotel Leelaventure Ltd.	100,000,000
	Tulip Telecom Ltd.	150,000,000
	3i Infotech Ltd.	100,000,000
	Gayatri Projects Ltd.	25,116,742
	Pyramid Saimira Theatre Ltd. (Banned)	90,000,000

1	2	3
	Shri Lakshmi Cotsyn Ltd.	15,000,000
	Jaiprakash Associates Ltd.	400,000,000
	Tata Steel Ltd.	375,000,000
	Tata Steel Ltd.	500,000,000
	Great Offshore Ltd.	42,000,000
	Suzlon Energy Ltd.	200,000,000
	Everest Kanto Cylinder Ltd.	35,000,000
	Gemini Communication Ltd.	20,128,208
	XL Telecom and Energy Ltd.	40,000,000
	Webel -SL Energy Systems Ltd.	16,800,000
	Surana Industries Limited	11,000,000
	First Source Solutions Ltd.	275,000,000
	Easun Reyrolle Ltd.	35,000,000
	ORG Informatics Ltd.	16,000,000
	Pidilite Industries Ltd.	40,000,000
	Ankur Drugs and Pharma Ltd.	20,000,000
	Bartronics India Ltd.	50,000,000
	Zenith Infotech Ltd.	50,000,000
	Aksh Optifibre Ltd.	20,000,000

Statement-II

Details of action taken against companies for irregularities

Sl. No.	Name of the Company	Amount of FCCB (in USD million)	Date of FCCB	Irregularities observed	Status
1	2	3	4	5	6
1.	Country Club (India) Ltd.	25	December 27, 2006	Ineligible borrower End-use not permissible LRN not obtained	Contravention Compounded by issuing Compounding order

1	2	3	4	5	6
2.	Hotel Leela Venture	100	April 24, 2007	Ineligible borrower End-use not permissible LRN not obtained	Contravention Compounded by issuing Compounding order
3.	Kamat Hotels	18	March 13, 2007	Ineligible borrower End-use not permissible LRN not obtained	Contravention Compounded by issuing Compounding order
4.	Sharon Bio-Medicine Ltd.	16.5	November 27, 2007	Rupee capital expenditure required approval LRN not obtained	Contravention Compounded by issuing Compounding order
5.	Shree Ashtavinayak Cinevision Ltd.	34.25	December 21, 2007	Ineligible borrower LRN not obtained	Contravention Compounded by issuing Compounding order
6.	Gitanjali Gems	110	November 21, 2006	USD 42.22 mn was used for development of SEZs, which is not a permissible end-use	Compounding application received and is under processing
7.	Plethico Pharmaceuticals Limited	75	October 18, 2007	all-in-cost more than the permissible limit LRN not obtained	Compounding application not received
8.	Marg Constructions Ltd.	12.50	June 22, 2006	Investment in a wholly owned subsidiary in India which is not a permissible end-use	Compounding application not received — referred to Directorate of Enforcement for necessary action

1	2	3	4	5	6
9.	Prime Focus Ltd.	55	December 12, 2007	Ineligible borrower LRN not obtained	Contravention Compounded by issuing Compounding order
10.	Educomp Solutions Ltd.	80	June 21, 2007	Ineligible borrower Partial End-use not permissible (setting up computer labs) LRN not obtained	Contravention Compounded by issuing Compounding order
11.	Educomp Solutions Ltd.	25	November 9, 2006	Ineligible borrower End-use not permissible (setting up computer labs)	Compounding application received and is under processing
12.	Cranes Software International Ltd.	42	March 17, 2006	Ineligible borrower End-use not permissible (business development and promotion)	Compounding application not received
13.	3i Infotech Ltd.	30	April 3, 2007	Ineligible borrower	Compounding application received and is under processing
14.	3i Infotech Ltd.	100	July 26, 2007	Ineligible borrower	Compounding application received and is under processing
15.	3i Infotech Ltd.	50	March 16, 2006	Ineligible borrower	Compounding application received and is under processing

1	2	3	4	5	6
16.	Subex Ltd.	180	March 8, 2007	Ineligible borrower	Compounding application received and is under processing
17.	Reliance Communication Ltd.	Rs. 5142 crore	Various FCCBs	End-use violation	The company has been advised to approach Reserve Bank for voluntary compounding

Appointment on compassionate grounds in RRBs

2053. SHRI SITARAM YECHURY: Will the Minister of FINANCE be pleased to state:

(a) the number of cases for compassionate appointment in each Regional Rural Banks (RRBs) before the introduction of new *ex-gratia* scheme in the year 2006;

(b) whether it is a fact that six Hon. High Courts have already issued directions to honour the earlier scheme which was applicable on the date of death of each incumbent before the introduction of new scheme; and

(c) what action has been taken by Government to honour the directions of the Hon. High Courts?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (c) The information is being collected and will be laid on the Table of Rajya Sabha.

Payment of Provident Fund by RRBs

2054. SHRI MOHAMMED AMIN:
SHRI TAPAN KUMAR SEN:

Will the Minister of FINANCE be pleased to state:

(a) whether the management of Regional Rural Banks (RRBs) are complying with the statutory provisions Section 40, 40A, 59, 72 and 73 of EPF Act 1952 and Section 17A and 23 of Employees Pension Scheme 1995; and

(b) the details of RRBs, who failed to pay the balance of Provident Fund of Pension to the staff members who have retired or expired in the last three years?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) As informed by National Bank for Agriculture and Rural Development (NABARD), no such incidence of non-compliance of the provisions of Employees provident fund (EPF) Act, 1952 (Section 40, 40A, 59, 72 and 73) and Employees Pension Scheme 1995 (Section 17A and 23) has been reported.